

Assessment

This factsheet is designed to give a brief overview of the self assessment process and what is involved; it is not a guide to completing your tax return online (this would have to be obtained from HMRC).

The official name for the return is 'self assessment tax return' or SATR for short, however, it is more commonly known as the personal tax return or self assessment return. This factsheet will refer to it as SATR.

You will be required to complete a SATR if HMRC have sent you one (even if you think you should not complete one) if you are a director within the tax year, if you have any untaxed income or for a number of other reasons which can be found on HMRC's website. If you are required to complete a SATR and HMRC have not sent you out a UTR (Unique Taxpayer Reference) then you will need to complete a SA1 form and send this to HMRC, this should be done no later than 5th October following the tax year end.

The SATR is normally issued by HMRC on 6th April following the tax year end and is generally in the form of a notice to complete a return rather than a blank SATR itself, however if it is the first SATR you are completing then HMRC may send out a paper copy. Nixon Williams' advice would be to submit the return electronically anyway as this gives you longer to complete the return and HMRC automatically calculate the taxes owed as part of the submission process.

The tax year runs from 6th April to 5th April each year and this will be the period covered by the SATR, for example, the 2010/11 tax year runs from 6th April 2010 to 5th April 2011.

If the SATR is filed online, it is due by the 31st January, paper returns are due by 31st October. You only have longer than this if you received notification, telling you to send a tax return, after 31st October. In this case you will have three months from the date the notification was received. Late returns will incur an automatic penalty of £100 with further penalties being issued if the return is still outstanding 3 months after the normal due date. Additional daily penalties can also be issued for persistent non compliance.

The payment of any taxes due for the year need to reach HMRC by 31st January following the tax yearend i.e. any tax due for 2010/11 is due by 31st January 2012. You may also have to make payments on account in advance, of the next years liability, for further details on this please refer to our Payments on Account Factsheet; late payments will attract interest on a daily basis.

When completing the SATR you will have to include all income received in that tax year and all taxes paid on said income, the general sources of income are:

- 1) Employment income (salary, benefits in kind etc.) as per the P60/P45 and P11d
- 2) Dividends as per the dividend vouchers
- 3) Bank interest as per a statement from your bank
- 4) Pension income as per your P60 from the pension provider
- 5) State benefits (Job seekers allowance etc.)
- 6) Rental property income.

The above list is not definitive and any other sources of income would still normally need to be declared.

Nixon Williams can prepare your SATR for you. The basic SATR, including employment pages, dividends and bank interest is included as part of the annual service, provided we receive the tax return questionnaire (this can be submitted electronically from our website) along with all supporting documentation by 30th September (after the tax year), after this date there is a charge of £75+VAT. We may also charge a fee if you join Nixon Williams part way through the tax year, our welcome letter details the first tax return covered by our service.

Additional charges may apply if you have capital gains, property income or your SATR is relatively complex.



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